

STATE OF NEW JERSEY
Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement

In the Matter of the Petition of Golden
Nugget Atlantic City, LLC, for Waiver
Regarding Its Audit Committee

ORDER
PRN 0111204

WHEREAS, Golden Nugget Atlantic City, LLC ("GNAC"), filed a letter petition dated January 10, 2012, seeking waiver from the Director of the Division of Gaming Enforcement ("Division") from the requirement that GNAC's audit committee be comprised of three members pursuant to *N.J.A.C. 13:69D-1.11(c)3*; and,

WHEREAS, GNAC was granted interim casino authorization ("ICA") by the Casino Control Commission ("Commission") on May 23, 2011, and a hearing before the Commission is scheduled for on or about February 15, 2012, to consider a plenary casino license for GNAC; and,

WHEREAS, the above-cited regulation, which became effective on November 14, 2011, requires casino licensees to have an independent audit committee comprised of three or more members but allows the Director of the Division to exercise his discretion to permit less than three members upon a showing of good cause; and,

WHEREAS, among other things, GNAC's letter petition sets forth that GNAC has had an audit committee since ICA was granted to GNAC, that GNAC's audit committee since its inception has had two independent members, and that that composition was in compliance with the regulations in effect when ICA was granted to GNAC; and,

WHEREAS, GNAC's letter petition further notes that GNAC's audit committee has had three meetings since it was granted ICA and asserts that the committee has performed all its assigned tasks efficiently and effectively; and,

WHEREAS, GNAC filed an amendment to its letter petition dated January 20, 2012, wherein it is proposed that, in the event of a failure to agree by the members of a two-member GNAC audit committee, GNAC's independent outside auditor shall cast a tie-breaking vote; and,

WHEREAS, the Director has considered all of the arguments set forth in GNAC's letter petition and amendment thereto, the Casino Control Act ("Act") and the regulations adopted pursuant thereto.

NOW THEREFORE, IT IS ORDERED that GNAC has established sufficient good cause so that its audit committee may be comprised of two independent members instead of three subject to the condition that the charter of GNAC's audit committee be amended immediately to reflect that, only with regard to matters where the members of GNAC's two-member audit committee are unable to agree, GNAC's independent outside auditor shall resolve the matter, and that such approval is granted *nunc pro tunc* to November 14, 2011.

IT IS FURTHER ORDERED that qualification under the Act of GNAC's independent outside auditor is not required for the limited purpose noted above.

Dated: January 24, 2012


DAVID REBUCK
DIRECTOR

Casino Licensing